

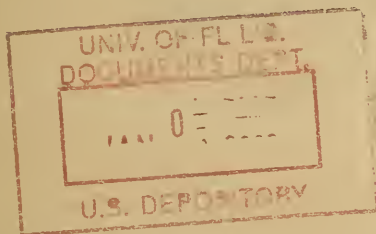
NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

NARROW FABRICS  
INDUSTRY

AS APPROVED ON FEBRUARY 27, 1934



UNITED STATES  
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**CODE OF FAIR COMPETITION**  
**FOR THE**  
**NARROW FABRICS INDUSTRY**

**As Approved on February 27, 1934**

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**ORDER**

**APPROVING CODE OF FAIR COMPETITION FOR THE NARROW FABRICS  
INDUSTRY**

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of a Code of Fair Competition for the Narrow Fabrics Industry, and hearings having been duly held thereon and the annexed report on said Code, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Order of the President, including Executive Order No. 6543-A, dated December 30, 1933, and otherwise; do hereby incorporate by reference said annexed report and do find that said Code complies in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act; and do hereby order that said Code of Fair Competition be and it is hereby approved, provided however that Article V, Section 8 shall be modified to read as follows:

“8. The having work done or labor performed on any product of the Industry in the home of a worker shall be prohibited.”

provided, however, that the Code Authority shall make a study at once of the extent of homework in this Industry for the Administrator, and that pending such study Section 8 of Article V, as so modified, is stayed until the Administrator shall order that it become effective.

HUGH S. JOHNSON,  
*Administrator for Industrial Recovery.*

Approval recommended:

A. D. WHITESIDE,  
*Division Administrator.*

WASHINGTON, D.C.,  
*February 27, 1934.*

## REPORT TO THE PRESIDENT

The PRESIDENT,  
*The White House.*

SIR: This is a report on the Hearing on the Code of Fair Competition for the Narrow Fabrics Industry, held in accordance with the provisions of the National Industrial Recovery Act in the South Lounge of the Hotel Ambassador on January 12, 1934. The Code, which is attached, was presented by duly qualified and authorized representatives of the Industry, complying with statutory requirements, said to represent 75 per cent by volume of the Industry.

In accordance with the customary procedure every person who had filed a request for an appearance was freely heard in public, and all statutory and regulatory requirements were complied with.

### THE INDUSTRY

The Industry comprises about 133-35 concerns, having an investment in 1929 of approximately \$38,000,000. In 1933 the Industry provided employment for 12,000 workers which is the same number employed during 1929. Aggregate annual sales have fallen from \$45,900,000 in 1929 to about \$30,000,000 in 1933.

### PROVISIONS OF THE CODE

The Code provides for a minimum wage of 32½¢ per hour in the North and 30¢ per hour in the South. It is stated in the Code that this minimum wage applies only to the lowest paid class of labor in the Industry. The Code provides that employees shall not receive for a work week of 40 hours less compensation than they received for the longer work week prevailing prior to July 1, 1933. Pay schedules of employees receiving more than the minimum wages are to be readjusted equitably, and the Code Authority is designated the agency to see that this provision is carried out. Average weekly earnings in the Industry will be increased 5.2 per cent by the application of this Code and total pay-rolls will be increased approximately 22 per cent.

Hours of work for office employees are limited to 40 hours per week averaged over a period of three months, provided that no employee works more than 48 hours in any one week. No other employee is permitted to work more than 40 hours per week and 8 hours per day with the following exceptions: maintenance employees are permitted to work ten per cent in excess of the maximum hours; employees in the supervisory capacity receiving \$30.00 or more per week are not limited as to hours; watchmen are permitted to work not more than 56 hours per week; employees on emergency repair work are excepted, but are to be paid time and one-third for all over

time work. Operations are limited to two shifts of 40 hours each per week. The effect of this Code will be to increase employment approximately 21 per cent.

There are no highly restrictive provisions in the Code itself. The sale of merchandise below cost is prohibited when and if a uniform system of cost accounting is approved by the Administrator. It is contemplated that supplemental Codes of Fair Trade Practice will be submitted for the different divisions of this Industry.

#### FINDINGS

The Deputy Administrator in his final report to me on said Code having found as herein set forth and on the basis of all the proceedings in this matter;

I find that:

(a) Said Code is well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among the trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanctions and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) Said Industry normally employs not more than 50,000 employees; and is not classified by me as a major industry.

(c) The Code as approved complies in all respects with the pertinent provisions of said Title of said Act including without limitation subsection (a) of Section 3, subsection (a) of Section 7, and subsection (b) of Section 10 thereof; and that the applicant group is an industrial group truly representative of the aforesaid Industry; and that said group imposes no inequitable restrictions on admission to membership therein.

(d) The Code is not designed to and will not permit monopolies or monopolistic practices.

(e) The Code is not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said Code.

For these reasons, this Code of Fair Competition for the Narrow Fabrics Industry has been approved.

Respectfully,

HUGH S. JOHNSON,  
*Administrator.*

FEBRUARY 27, 1934.

# CODE OF FAIR COMPETITION FOR THE NARROW FABRICS INDUSTRY

## ARTICLE I—PURPOSES

To effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions are established as a Code of Fair Competition for the Narrow Fabrics Industry, and shall be the standard of fair competition for such Industry and shall be binding upon every member thereof.

## ARTICLE II—DEFINITIONS

1. The term "Industry" as used herein includes the manufacture of the following, including any related processes (except the spinning of yarn and preparatory processes thereto), and such branches and subdivisions thereof as may from time to time be included under the provisions of this Code, viz:

(a) All Woven Elastic Fabrics, except fabrics 16" or more in width having elastic in the filling only.

(b) All Braided Elastic Fabrics.

(c) All Braided Non-Elastic Fabrics.

(d) Covered Rubber Thread, Hose Supporters for the Garment Trade, Cutting and Tipping of Shoe Laces and Corset Laces, and other related branches whose application may be approved by the Code Authority and the Administrator.

It is provided, however, that the term "Industry" shall not include millinery and dress trimmings made of unusual synthetic yarns and not of wool, silk, cotton, or rayon (or similar yarn made from acetate).

2. The term "member of the Industry" as used herein includes anyone engaged in the Industry, as above defined, either as an employer or on his own behalf, and includes anyone who furnishes or contracts for labor as a part of a larger or further operation in the process of manufacturing narrow fabrics.

3. The term "employee" as used herein includes anyone engaged in the Industry in any capacity receiving compensation for his services, irrespective of the nature or method of payment of such compensation.

4. The term "employer" as used herein includes anyone by whom any such employee is compensated or employed.

5. The term "productive machinery" as used herein means weaving and braiding machines.

6. The terms "President", "Act", and "Administrator" as used herein, shall mean, respectively, the President of the United States, Title I of the National Industrial Recovery Act, and the Administrator for Industrial Recovery.

7. The term "South" shall be defined to mean the States of North Carolina, South Carolina, Florida, Georgia, Alabama, Tennessee,

Mississippi, Louisiana, Arkansas, Oklahoma, Texas, Arizona, New Mexico, Maryland, Kentucky, and Virginia.

8. The term "North" shall mean the rest of the United States.

9. The term "learner" as used herein includes unskilled workers with less than six weeks experience in the Industry.

10. The term "outside workers" as used herein includes workers engaged principally outside the factory and not in actual factory production.

### ARTICLE III—HOURS

1. No office employee shall work or be permitted to work in excess of forty (40) hours per week averaged over a period of three (3) months, or forty-eight (48) hours in any one (1) week.

2. No other employee shall work or be permitted to work in excess of forty (40) hours in any one (1) week or eight (8) hours in any twenty-four (24) hour period, excepting that:

(a) Repair shop crews, shipping and outside workers, engineers, electricians, and firemen shall be permitted to work 10 per cent in excess of the maximum hours specified above.

(b) Executives and employees in a managerial or supervisory capacity who receive at the rate of \$30.00 or more per week, and outside salesmen, are excepted from the maximum hour provisions of this Article III. All such employees shall be listed with the agent of the Code Authority.

(c) Watchmen shall be permitted to work not more than fifty-six (56) hours in any one week.

3. The maximum hours fixed in the foregoing Section shall not apply to any employee on emergency maintenance or emergency repair work involving extraordinary break-downs or protection of life or property, but in any such special case one and one-third ( $1\frac{1}{3}$ ) times the normal rate shall be paid for the hours worked in excess of the maximum hours herein provided.

At the end of each calendar month every employer shall report to the agent of the Code Authority, hereinafter provided for, in such detail as may be required, the number of man-hours worked in that month in cases of emergency, and the ratio which said emergency man-hours bear to the total number of man-hours of labor during said month.

4. Members of the Industry shall not operate productive machinery as hereinbefore defined for more than two shifts of forty (40) hours each per week.

5. No employee shall work or be permitted to work for a total number of hours in excess of the number of hours prescribed for each week and day, whether employed by one or more employers.

### ARTICLE IV—WAGES

1. No employee shall be paid at less than the rate of  $32\frac{1}{2}\text{¢}$  per hour when employed in the North and  $30\text{¢}$  per hour when employed in the South. This minimum wage applies only to the lowest classifications of occupations; skilled workers shall be paid upon a higher wage scale as provided in Section 3 of this Article.

2. This Article establishes a minimum rate of pay regardless of whether an employee is compensated on a time-rate, piecework, or other basis.

3. No employee shall receive for a full week's work less compensation for the hours of labor permitted under this Code than he received or would have received for a full week's work of longer hours prior to July 1, 1933, and the same rule shall be applied equitably to any employee working less than a full week. Pay schedules of employees above the minimum shall be readjusted in any case and in such manner as shall be equitable. It shall be the duty of the Code Authority to effectuate the operation of this provision.

4. A person whose earning capacity is limited because of age or physical or mental handicap may be employed on light work at a wage below the minimum established by this Code if the employer obtains from the State Authority designated by the United States Department of Labor a certificate authorizing his employment at such wages and for such hours as shall be stated in the certificate. Each employer shall file with the Code Authority a list of all such persons employed by him.

5. Learners shall not be paid less than 80 per cent of the minimum rate of pay and no employer shall include within the category of learners more than 5 per cent of the total number of employees in his plant.

#### ARTICLE V—GENERAL LABOR PROVISIONS

1. No person under 16 years of age shall be employed in the Industry. In any State an employer shall be deemed to have complied with this provision, if he shall have on file a certificate or permit duly issued by the Authority in such State, empowered to issue employment or age certificates or permits, showing that the employee is of the required age.

2. Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

3. No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

4. Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

5. Within each State members of the Industry shall comply with any laws of such State imposing more stringent requirements on employers, regulating the age of employees, wages, hours of work, or health, fire or general working conditions than under this Code.

6. Employers shall not reclassify employees or duties of occupations performed by employees or use any other subterfuge so as to defeat the purposes of the Act.

7. Each employer shall post in conspicuous places full copies of this Code.

8. The doing of work or the performance of labor on any product of the Industry in the home of a worker shall be prohibited.<sup>1</sup>

9. Until adoption by members of this Industry of further provisions of this Code that may prove necessary in order to prevent any improper speeding up of the work (Stretchouts) no manufacturing employee in the Industry shall be required to do any work in excess of the practice as to the class of work of such employee prevailing on July 1, 1933, or prior to the Share-The-Work movement unless such increase is submitted to and approved by the Code Authority created by this Code and the Administrator.

10. If any employer of labor in the Narrow Fabrics Industry is also an employer of labor in another Industry, the provisions of this Code shall apply to and affect only that part of his business which is included in the Narrow Fabrics Industry.

#### ARTICLE VI—ADMINISTRATION

To further effectuate the policies of the Act, a Code Authority is hereby constituted to administer this Code.

1. Organization and constitution of the Code Authority:

(a) The Code Authority shall consist of 8 Mill Executives selected by the members of the Industry as set forth in subsection (b) below and not over two additional members when approved by the Code Authority and the Administrator to represent related branches of this Industry, and such additional members without vote and without expense to the Industry, not to exceed three, as the Administrator in his discretion may appoint to represent such groups or interests or such governmental agencies as he may designate. The Code Authority may delegate to subcommittee such of its powers and duties as it may deem necessary.

(b) Each of the Divisional groups in this Industry, as provided in subsections (a), (b), and (c) of Section 1, Article II, shall elect to the Code Authority representatives of their own choosing by methods approved by the Administrator as follows:

(a) Woven Elastic Division—Four Mill Executives.

(b) Braided Elastic Division—Two Mill Executives.

(c) Braided Non-Elastic Division—Two Mill Executives.

The members of the Code Authority shall hold office for one year or until their successors are elected and qualified. Any vacancy in the membership of the Code Authority shall be filled by majority vote of the remaining members from the Division in which the vacancy occurs. In the case of failure to elect a member or members from any Division or Divisions the Administrator may appoint a member or members to act until such time as election is effected.

(c) Each trade or industrial association directly or indirectly participating in the selection or activities of the Code Authority shall: (1) impose no inequitable restrictions on membership, and (2) submit to the Administrator true copies of its articles of Association, by-laws, regulations, and any amendments when made thereto, together with such other information as to membership, organization, and activities as the Administrator may deem necessary to effectuate the purposes of the Act.

<sup>1</sup> See paragraph 2 of order approving this Code.

(d) In order that the Code Authority shall at all times be truly representative of the Industry and in other respects comply with the provisions of the Act, the Administrator may prescribe such hearings as he may deem proper; and thereafter if he shall find that the Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, may require an appropriate modification in the method of selection of the Code Authority.

(e) The Code Authority shall investigate the importation of competitive articles into the United States which render ineffective or seriously endanger the maintenance of this Code and act as the agency for making complaint to the President on behalf of the Narrow Fabrics Industry.

(f) Members of the Industry shall be entitled to participate in and share the benefits of the activities of the Code Authority and to participate in the selection of the members thereof by assenting to and complying with the requirements of this Code and sustaining their reasonable share of the expense of its administration. The reasonable share of the expenses of administration shall be determined by the Code Authority, subject to review by the Administrator, on such basis as may be deemed equitable.

(g) Members of the Industry shall file with the agent of the Code Authority at such times and in such manner as may be prescribed, statistics covering number of employees, wage rates, employee earnings, hours of work, production, shipments, stocks, prices, and such other data pertinent to the effectuation of the purposes of this Code, as may be required or approved by the Administrator.

(h) All data filed in accordance with the provisions of this Code shall be confidential and shall not be revealed to anyone other than an authorized Governmental agency; except that when in compiled form or coded to prevent injury to any member, it may be revealed to the Code Authority or to the authorized agent of any approved Industry group; provided, however, that any information or statistics that the Code Authority may deem to be essential for the proper performance of any of its functions shall be made available to the Code Authority by the agent receiving such reports.

2. To the extent permitted by the Act, the Code Authority shall have the following powers and duties:

(a) To cooperate with the Administrator in making investigations as to the functioning and observance of any provisions of this Code, at its own instance or on complaint by any person, and report the same to the Administrator.

(b) To coordinate and supervise the administration of the Code for the Industry, and to designate a disinterested agent to receive and compile all reports required under this Code, and to effectuate the policy of the National Industrial Recovery Act with respect to the Industry. The Code Authority shall set up its own rules of procedure.

3. In addition to the information required to be submitted to the Code Authority, there shall be furnished to Government agencies such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act.

4. Any interested party shall have the right of appeal to the Administrator under such rules and regulations as he shall prescribe

with respect to any decision, rule, regulation, order or finding made by the Code Authority.

5. If the Administrator shall determine that any action of a Code Authority or any agency thereof may be unfair or unjust or contrary to the public interest, the Administrator may require that such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by such Code Authority or agency pending final action which shall not be effective unless the Administrator approves or unless he shall fail to disapprove after thirty days' notice to him of intention to proceed with such action in its original or modified form.

## ARTICLE VII—TRADE PRACTICES

1. No member of the Industry shall sell or exchange any product of the Industry at a price or upon such terms or conditions that will result in the customer paying for the goods received less than the cost to the seller, as may be determined as herein provided, except to meet the competition of any member of the Industry whose price is not less than his own cost; provided, however, that dropped lines, seconds or inventories which must be converted into cash to meet emergency needs may be disposed of in such manner and on such terms and conditions as the Code Authority may approve, subject to appeal to the Administrator, and as are necessary to move such product into the buyers' hands. This provision shall not become effective until a uniform and standard system of cost accounting shall be approved by the Code Authority and the Administrator with whatever variations may be deemed advisable for the several Divisions. Following such approval, every member of the Industry shall use a system of accounting which conforms to the principles of and is at least as detailed as such system. The Code Authority, with the approval of the Administrator, shall determine the cost factors to be included in such system.

2. The following unfair trade practices are prohibited:

(a) *False Marking or Branding*.—The false marking or branding of any product of the Industry which has a tendency to mislead or deceive customers or prospective customers, whether as to grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the Industry or otherwise.

(b) *Commercial Bribery*.—The giving, permitting to be given, or directly offering to give anything of value for the purpose of influencing or rewarding the action of any employee, agent, or representatives of another in relation to the business of the employer of such employee, the principal of such agent or the represented party, without the knowledge of such employer, principal, or party. This provision shall not be construed to prohibit free and general distribution of articles commonly used for advertising except so far as such articles are actually used for commercial bribery as hereinabove defined.

(c) *Secret Rebates*.—The secret payment or allowance of rebates, refunds, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or the secret extension to certain purchasers of special services or privileges not extended to all purchasers on like terms and conditions.

(d) *False Invoicing*.—Withholding from, or inserting in any invoice, words or figures which make or tend to make such invoice a false record, wholly or in part, of the transaction represented on the face thereof.

#### ARTICLE VIII—MODIFICATION

1. This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of subsection (b) of Section 10 of the National Industrial Recovery Act, from time to time to cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act and specifically, but without limitation, to the right of the President to cancel or modify his approval of this Code or any conditions imposed by him upon his approval thereof.

2. This Code, except as to provisions required by the Act, may be modified on the basis of experience or changes in circumstances, such modifications to be based upon application to the Administrator and such notice and hearing as he shall specify, and to become effective on approval of the Administrator.

3. This Code is intended to be a Basic Code and to cover the entire Industry. It is understood, however, that trade associations, groups of manufacturers or trade groups representing a substantial part of any specific subdivision of this Industry may formulate Supplementary Codes of Fair Competition, not inconsistent with the provisions of this Basic Code, defining specifically the subdivision and covering such regulations as are considered advisable by them. Such Codes when approved by the Code Authority and the Administrator shall have the same force and effect as this Basic Code.

#### ARTICLE IX—MONOPOLIES, ETC.

No provisions of this Code shall be so applied as to permit monopolies or monopolistic practices, or to eliminate, oppress, or discriminate against small enterprises.

#### ARTICLE X—EFFECTIVE DATE

This Code shall become effective on the second Monday after its approval.

Approved Code No. 312.  
Registry No. 299-43.